

# House File 2765 - Enrolled

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HOUSE FILE 2765

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1 3 AN ACT

1 4 CONCERNING THE MILITARY DIVISION OF THE DEPARTMENT OF PUBLIC

1 5 DEFENSE.

1 6

1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 8

1 9 Section 1. Section 29A.57, subsection 3, paragraph d, Code

1 10 2005, is amended to read as follows:

1 11 d. Grant a temporary or permanent easement with or without

1 12 monetary consideration for utility, ~~or~~ public highway, ~~or~~

1 13 ~~other~~ purposes if granting the easement will not adversely

1 14 affect use of the real estate for military purposes.

1 15 Sec. 2. Section 29A.99, Code 2005, is amended by striking

1 16 the section and inserting in lieu thereof the following:

1 17 29A.99 MAXIMUM RATE OF INTEREST.

1 18 1. An obligation or liability bearing interest at a rate

1 19 in excess of six percent per year that is incurred by a

1 20 service member either individually or jointly with the service

1 21 member's spouse before the service member enters military

1 22 service shall not bear interest at a rate in excess of six

1 23 percent per year during the service member's period of

1 24 military service. Interest that would otherwise be incurred

1 25 but for the prohibition in this section is forgiven. The

1 26 amount of any periodic payment due from a service member under

1 27 the terms of the instrument that created an obligation or

1 28 liability covered by this section shall be reduced by the

1 29 amount of the interest forgiven under this section that is

1 30 allocable to the period for which such payment is made.

1 31 2. In order for an obligation or liability of a service

1 32 member to be subject to the interest rate limitation in this

1 33 section, the service member shall provide to the creditor

1 34 written notice and a copy of the military orders calling the

1 35 service member to military service and any orders further

2 1 extending military service, not later than one hundred eighty

2 2 days after the date of the service member's termination or

2 3 release from military service. Upon receipt of written notice

2 4 and a copy of orders calling a service member to military

2 5 service, the creditor shall treat the debt in accordance with

2 6 this section, effective as of the date on which the service

2 7 member is called to military service.

2 8 3. A court may grant a creditor relief from the

2 9 limitations of this section if, in the opinion of the court,

2 10 the ability of the service member to pay interest upon the

2 11 obligation or liability at a rate in excess of six percent per

2 12 year is not materially affected by reason of the service

2 13 member's military service.

2 14 4. As used in this section, the term "interest" includes

2 15 service charges, renewal charges, fees, or any other charges,

2 16 except for bona fide insurance, with respect to an obligation

2 17 or liability.

2 18 Sec. 3. Section 29A.101A, Code 2005, is amended by

2 19 striking the section and inserting in lieu thereof the

2 20 following:

2 21 29A.101A TERMINATION OF LEASE BY SERVICE MEMBER ==

2 22 PENALTY.

2 23 1. For purposes of this section, unless the context

2 24 otherwise requires:

2 25 a. "Premises lease" means a lease of premises occupied, or

2 26 intended to be occupied, by a service member or a service

2 27 member's dependents for a residential, professional, business,

2 28 agricultural, or similar purpose if either of the following

2 29 applies:

2 30 (1) The lease is executed by or on behalf of a person who

2 31 thereafter and during the term of the lease enters military

2 32 service.

2 33 (2) The service member, while in military service,

2 34 executes the lease and thereafter receives military orders for

2 35 a permanent change of station or to deploy with a military

3 1 unit, or as an individual in support of a military operation,

3 2 for a period of not less than ninety days.

3 3 b. "Vehicle lease" means a lease of a motor vehicle used,

3 4 or intended to be used, by a service member or a service  
3 5 member's dependents for personal or business transportation if  
3 6 either of the following applies:

3 7 (1) The lease is executed by or on behalf of a person who  
3 8 thereafter and during the term of the lease enters military  
3 9 service under a call or order specifying a period of service  
3 10 of not less than ninety days, or who enters military service  
3 11 under a call or order specifying a period of ninety days of  
3 12 service or less and who, without a break in service, receives  
3 13 orders extending the period of military service to a period of  
3 14 not less than ninety days.

3 15 (2) The service member, while in military service,  
3 16 executes the lease and thereafter receives military orders to  
3 17 deploy with a military unit, or as an individual in support of  
3 18 a military operation, for a period of not less than ninety  
3 19 days.

3 20 2. A service member may terminate a premises lease or  
3 21 vehicle lease pursuant to the requirements of this section.  
3 22 Termination of a premises lease or vehicle lease shall be made  
3 23 as follows:

3 24 a. By delivery by the lessee of written notice of such  
3 25 termination, and a copy of the service member's military  
3 26 orders, to the lessor or the lessor's grantee, or to the  
3 27 lessor's agent or the agent's grantee. A lessee's termination  
3 28 of a lease pursuant to this subsection shall terminate any  
3 29 obligation a dependent of the lessee may have under the lease.  
3 30 For purposes of this paragraph, written notice may be  
3 31 accomplished by hand delivery, by private business carrier, or  
3 32 by placing the written notice in an envelope with sufficient  
3 33 postage and with return receipt requested, and addressed as  
3 34 designated by the lessor or the lessor's grantee or to the  
3 35 lessor's agent or the agent's grantee, and depositing the  
4 1 written notice in the United States mail.

4 2 b. In the case of a vehicle lease, by return of the motor  
4 3 vehicle by the lessee to the lessor or the lessor's grantee,  
4 4 or to the lessor's agent or the agent's grantee, not later  
4 5 than fifteen days after the date of the delivery of written  
4 6 notice under paragraph "a". A lessee's termination of a lease  
4 7 pursuant to this subsection shall terminate any obligation a  
4 8 dependent of the lessee may have under the lease.

4 9 3. In the case of a premises lease that provides for  
4 10 monthly payment of rent, termination of the lease is effective  
4 11 thirty days after the first date on which the next rental  
4 12 payment is due and payable after the date on which the notice  
4 13 is delivered. In the case of any other premises lease,  
4 14 termination of the lease is effective on the last day of the  
4 15 month following the month in which the notice is delivered.

4 16 4. In the case of a vehicle lease, termination of the  
4 17 lease is effective on the day on which the vehicle is  
4 18 delivered to the lessor or the lessor's grantee.

4 19 5. Rents or lease amounts unpaid for the period preceding  
4 20 the effective date of the lease termination shall be paid on a  
4 21 prorated basis. In the case of a vehicle lease, the lessor  
4 22 may not impose an early termination charge, but any taxes,  
4 23 summonses, and title and registration fees and any other  
4 24 obligation and liability of the lessee in accordance with the  
4 25 terms of the lease, including reasonable charges to the lessee  
4 26 for excess wear, use, and mileage, that are due and unpaid at  
4 27 the time of termination of the lease shall be paid by the  
4 28 lessee.

4 29 6. Rents or lease amounts paid in advance for a period  
4 30 after the effective date of the termination of the lease shall  
4 31 be refunded to the lessee by the lessor or the lessor's  
4 32 assignee or the assignee's agent within thirty days of the  
4 33 effective date of the termination of the lease.

4 34 7. Upon application by the lessor to a court before the  
4 35 termination date provided in the written notice, relief  
5 1 granted by this section to a service member may be modified as  
5 2 justice and equity require.

5 3 8. a. Any person who knowingly seizes, holds, or detains  
5 4 the personal effects, security deposit, or other property of a  
5 5 service member or a service member's dependent who lawfully  
5 6 terminates a lease covered by this section, or who knowingly  
5 7 interferes with the removal of such property from premises  
5 8 covered by such lease, for the purpose of subjecting or  
5 9 attempting to subject any of such property to a claim for rent  
5 10 accruing subsequent to the date of termination of such lease,  
5 11 or attempts to do so, commits a simple misdemeanor.

5 12 b. The remedy and rights provided under this section are  
5 13 in addition to and do not preclude any remedy for wrongful  
5 14 conversion otherwise available under law to the person

5 15 claiming relief under this section.  
5 16 Sec. 4. Section 29A.102, subsection 1, Code 2005, is  
5 17 amended to read as follows:  
5 18 1. The creditor of a service member who, prior to entry  
5 19 into military service, has entered into an installment  
5 20 contract for the purchase or lease of real or personal  
5 21 property, including a motor vehicle, shall not terminate the  
5 22 contract or repossess the property for nonpayment or for any  
5 23 breach occurring during military service without an order from  
5 24 a court of competent jurisdiction.

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5 29 CHRISTOPHER C. RANTS  
5 30 Speaker of the House  
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5 33 JEFFREY M. LAMBERTI  
5 34 President of the Senate  
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6 1 I hereby certify that this bill originated in the House and  
6 2 is known as House File 2765, Eighty-first General Assembly.  
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6 7 MARGARET THOMSON  
6 8 Chief Clerk of the House

6 8 Approved \_\_\_\_\_, 2006  
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6 12 THOMAS J. VILSACK  
6 13 Governor